



SURFACE TRANSPORTATION BOARD

[Docket No. FD 36566]

Macquarie Infrastructure Partners V GP, LLC—Acquisition of Control Exemption—
Grenada Railroad, LLC, and Florida, Gulf & Atlantic Railroad, LLC

Macquarie Infrastructure Partners V GP, LLC (MIP GP), a noncarrier, filed on behalf of MIP Infrastructure Partners V fund vehicle (MIP V) and MIP V Rail, LLC (MIP Rail),¹ a verified notice of exemption under 49 CFR 1180.2(d)(2) to acquire control of two Class III railroads currently owned by RailUSA, LLC (RailUSA): Grenada Railroad, LLC (GRYR), and Florida, Gulf & Atlantic Railroad, LLC (FGA).²

The verified notice states that, pursuant to a Purchase Agreement dated November 23, 2021,³ MIP Rail has agreed to acquire 100% of the equity interests of RailUSA from its parent, American Rail Partners, LLC, which will result in MIP Rail's indirect control of both GRYR and FGA. (Verified Notice 1.) According to the verified notice, MIP Rail, MIP V, MIP GP, and their affiliates do not own or control any other United States rail carriers.

¹ The verified notice states that MIP Rail is wholly owned by MIP V, which is controlled by MIP GP. (Verified Notice 1 n.1, 3.)

² GRYR, formerly known as Illinois Company Rail Road, LLC (ICRR), operates 228 miles of rail line in Mississippi pursuant to a lease with the North Central Mississippi Regional Railroad Authority. (Verified Notice 2 n.3); see Ill. Co. R.R.—Lease & Operation Exemption—N. Cent. Miss. Reg'l R.R. Auth., FD 35940, slip op. at 1 (STB served July 9, 2015) (describing ICRR's verified notice to lease and operate an approximately 186.82-mile rail line in Mississippi). FGA owns and operates 430 miles of track, including a 373-mile main line, in Florida and Georgia. (Verified Notice 2 n.3); see RailUSA, LLC—Continuance in Control Exemption—Fla. Gulf & Atl. R.R., FD 36248, slip op. at 1 (STB served Dec. 21, 2018).

³ Public and confidential versions of the Purchase Agreement were filed with the verified notice. The confidential version was submitted under seal concurrently with a motion for protective order, which is addressed in a separate decision.

MIP GP states that: (1) the lines over which GRYR and FGA operate do not connect with one another, (2) the proposed transaction is not part of a series of anticipated transactions that would connect the lines with each other; and (3) the transaction does not involve a Class I rail carrier. Therefore, the proposed transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

The earliest this transaction may be consummated is Friday, December 24, 2021, the effective date of the exemption (30 days after the verified notice was filed).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. sections 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than December 17, 2021 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36566, should be filed with the Surface Transportation Board via e-filing on the Board's website. In addition, a copy of each pleading must be served on MIP GP's representative, Terence M. Hynes, Sidley Austin LLP, 1501 K Street, N.W., Washington, DC 20005.

According to MIP GP, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: December 3, 2021.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

Eden Besera

Clearance Clerk

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